

Department of Accounts Payroll Bulletin

Calendar Year 2003

December 16, 2002

Volume 2003-01

2003 Calendar Year Payroll Operations and Leave Processing

Introduction

This Payroll Bulletin addresses key **2003** calendar year payroll and leave processing issues. This bulletin should be distributed to and carefully reviewed by appropriate payroll and fiscal personnel within your agency.

Agency Profile Updates

DOA maintains a database of the payroll operation profiles of each agency to facilitate communications and assistance. Included in this database are contact names, phone numbers (voice and fax), E-mail addresses and report distribution information.

Verification reports showing the contact information we currently have in our database will be distributed this month. Please review these reports and provide any changes to Annie Callanta via Email at acallanta@doa.state.va.us or FAX at (804) 225-3499. These reports are distributed semi-annually, however, if your agency undergoes personnel changes within your organization (Fiscal Officer, Human Resource Officer, Benefits Administrator, and Payroll Officer) during 2003, please notify Annie Callanta at the time of the change..

Payroll Accounting

IRS Deposit Notices

As with 2002, the IRS will send FTD notices to all agencies regardless of the level of changes in Federal tax deposit amounts during the year.

If your agency experienced **significant** changes and you do not receive a notice, review Publication 15 (*Circular E, Employer's Tax Guide*) to ensure your deposit requirements will not change.

When you receive an FTD notice, FAX a copy to Denise Halderman at (804) 225-3499.

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The Payroll Bulletin is published periodically to provide CIPPS agencies guidance regarding Commonwealth payroll operations. If you have any questions about the bulletin, please call Lora L. George at (804) 225-2245 or Email at lgeorge@doa.state.va.us

State Payroll Operations

Manager	Karen M. Robinson
Assistant Manager	Lora L. George

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Payroll Accounting, Continued

W-4 Form

Employees who claim exempt from withholding during the prior year on their W-4 must complete a new W-4 Form by February 15th to maintain their exempt status. If such employees do not provide a newly completed W-4 Form by February 15th, immediately begin to withhold Federal income tax as if they are single, with zero withholding allowances. Agencies can request CIPPS report #823, "**Employees With FIT Status Not Equal to 4, 5, or 6**", to identify employees with current exempt W-4's (FIT status "A").

IRS regulations stipulate which employees are eligible to file a W-4 Form with exempt status. Refer to Section 9 of Publication 15 (Circular E) for more information.

IRS regulations also require copies of certain W-4 forms be sent to the IRS on a quarterly basis. If you receive W-4s claiming more than 10 withholding allowances, or claiming exempt from withholding and the employee is expected to earn more than \$200 per week, you must send copies to the IRS Service Center with a cover letter at the end of each quarter. The address is IRS, Ogden, UT 84201-0046. Agencies can request CIPPS report # 807, "**W-4s To Be Pulled and Sent With Quarterly Reports**", to assist in identifying W-4's to report.

Social Security Tax Withholding

The maximum wage base for 2003 withholding is **\$87,000** for OASDI (old age, survivors, and disability insurance). The wage base for HI (hospital insurance) remains unlimited (i.e., all wages are HI taxable).

For OASDI, the tax rate is 6.2% each for employees and employers. For HI, the rate is 1.45% each for employees and employers. These tax rates did not change for 2003.

No agency action is required since CIPPS recognizes the OASDI maximum. When the maximum has been reached for an individual Employee Id Number within an agency, OASDI taxes will cease to be calculated and withheld.

IRS PUBS & FORMS

The IRS web site address is <http://www.irs.gov/>

If you do not have internet access, IRS publications and forms can be ordered by calling 1-800-TAX-FORM (1-800-829-3676).

FIT Withholding Tables Changed for 2003

New withholding allowance values, percentage method withholding tables, and Advance EIC tables, effective January 1, 2003, have been issued by the IRS. These are included in the 2003 revision of the Circular "E", Publication 15, which is now available on the IRS web site listed above. Tables for withholding are also available in Notice 1036 (Rev. November 2002) on the IRS web site.

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Payroll Accounting, Continued

Name Changes Employees requesting name changes in CIPPS should be reminded to immediately notify the Social Security Administration (SSA) of the change. If an employee's name is changed on CIPPS but not with the SSA, the name will not match SSA records when DOA remits the W-2 tape, possibly resulting in agency penalties. Refer to section 4 of Publication 15 (Circular E) for more information.

W-5 Forms **REMINDER** – Employees who want to continue receiving advance payments of the earned income credit (EIC) **must** complete a **new W-5 FORM** by December 31, 2002.

Agencies with employees receiving EIC must review CIPPS Report #806, "**Employees Currently Receiving Earned Income Credit**", prior to certifying pay for period ending January 9th and ensure a valid 2003 W-5 form is on file for each EIC recipient. If a new W-5 is not received the employee must be changed to FIT status 4 in CIPPS until a valid W-5 is received. Retroactive EIC payments are not authorized.

Helpful Reminders Some items which should be considered when beginning a new calendar year:

- Ensure all garnishments which have been satisfied due to a goal being reached are deactivated.
 - Review the pending file reports and delete any extraneous transactions which are no longer required.
 - When entering a certification or edit request in 2003 with a pay period begin date with a 2002 value, you will receive a Warning message stating "YEAR NOT SAME AS CURRENT YEAR." This is an informational message. However, you must hit the enter button again for the data on PYCTF/PYEDT to accept in the system.
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Flex Account Administrative Fees Administrative fees for Flexible Reimbursement Accounts continue to be waived for 2003.

Flex Mass Transaction DOA will process a mass transaction at year-end to turn-off Deductions #21 and 22, (change frequency from '09' to '00') and to change the Deduction AMT/PCT and GOAL fields on H0ZDC **to all zeros**. Deduction amounts and deduction frequencies must be re-entered for individuals participating in Flex accounts for 2003.

REMINDER – Do not attempt to re-establish Flex deductions until CIPPS files are restored following year-end processing, scheduled for January 1, 2003.

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Payroll Deductions

CVC Deduction #62 Format Change

DOA will process a mass transaction at year-end to turn-off Deduction #62 (change frequency from '09' to '00') and to change the Deduction #62 AMT/PCT, GOAL and UTILITY fields on H0ZDC **to all zeros**.

REMINDER – Do not attempt to re-establish CVC deductions until CIPPS files are restored following year-end processing, scheduled for January 1, 2003.

For questions regarding these changes, contact Annie Callanta, Payroll Production Supervisor, via email at acallanta@doa.state.va.us or by telephone at (804) 371-7799.

Qualified Benefit Plans

The maximum limits on 403(b) and 457 plan elective deferrals for calendar year 2003 are:

Plan	Deduction #	Annual Limit	Limit with “catch-up”
403(b) Plan (Annuity)	39 - Pre-tax	\$12,000 ¹	\$15,000 ²
457 (Deferred Compensation)	38 - Deferred Compensation	\$12,000 ³	\$24,000

¹ Those turning age 50 or older any time during 2003 may contribute an additional \$2,000 for a total of \$14,000.

² Includes the current 403(b) catch-up rule and additional contribution provision for those turning age 50 or older during 2003.

³ Those turning age 50 or older any time during 2003 may contribute an additional \$2,000 for a total of \$14,000. However, if the participant is contributing additional amounts under the catch-up provisions, the additional \$2000 is prohibited.

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Payroll Deductions, Continued

**Misc. Deduction
TPA Processing
Schedule** The calendar year 2003 cut-off date schedule governing new enrollment and change processing for the miscellaneous insurance and annuity third party administrator (FBMC) follows:

Pay Period	FBMC Cut-Off	Change List to Agency	DOA Cert Deadline	Payday
12/25 - 01/09	12/27/02	01/03/03	01/10/03	01/16/03
01/10 - 01/24	01/09/03	01/16/03	01/27/03	01/31/03
01/25 - 02/09	01/27/03	02/03/03	02/10/03	02/14/03
02/10 - 02/24	02/07/03	02/14/03	02/24/03	02/28/03
02/25 - 03/09	02/24/03	03/03/03	03/10/03	03/14/03
03/10 - 03/24	03/11/03	03/18/03	03/25/03	03/31/03
03/25 - 04/09	03/27/03	04/03/03	04/10/03	04/16/03
04/10 - 04/24	04/11/03	04/18/03	04/25/03	05/01/03
04/25 - 05/09	04/28/03	05/05/03	05/12/03	05/16/03
05/10 - 05/24	05/09/03	05/16/03	05/23/03	05/30/03
05/25 - 06/09	05/27/03	06/03/03	06/10/03	06/16/03
06/10 - 06/24	06/11/03	06/18/03	06/25/03	07/01/03
06/25 - 07/09	06/25/03	07/02/03	07/10/03	07/16/03
07/10 - 07/24	07/14/03	07/21/03	07/28/03	08/01/03
07/25 - 08/09	07/28/03	08/04/03	08/11/03	08/15/03
08/10 - 08/24	08/11/03	08/18/03	08/25/03	08/29/03
08/25 - 09/09	08/27/03	09/03/03	09/10/03	09/16/03
09/10 - 09/24	09/10/03	09/17/03	09/24/03	09/30/03
09/25 - 10/09	09/25/03	10/02/03	10/09/03	10/16/03
10/10 - 10/24	10/13/03	10/20/03	10/27/03	10/31/03
10/25 - 11/09	10/24/03	10/31/03	11/07/03	11/14/03
11/10 - 11/24	11/07/03	11/14/03	11/21/03	12/01/03
11/25 - 12/09	11/25/03	12/03/03	12/10/03	12/16/03
12/10 - 12/24	12/10/03	12/17/03	12/24/03	12/31/03

This schedule can also be found on DOA's web site at the following address:
<http://www.doa.state.va.us/procedures/Payroll/TPA/tpahtm.htm>.

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Payroll and Leave Contact Personnel

Communication Guidance

Address all processing questions to the individuals listed. Contact the appropriate DOA personnel to ensure accurate and consistent responses. Use E-mail and FAX to avoid “telephone tag” and provide all necessary relevant information. This will significantly reduce the amount of time it takes DOA personnel to address questions or concerns. **Review your CIPPS broadcast screen throughout the day for important messages.**

Payroll Operations – CIPPS Assistance

Name	Functional Area	E-mail	Phone (804 Area Code)
Valerie Dunmars-Hurdle	Agency Payroll and Leave Procedural Support; Training	vhurdle@doa.state.va.us	225-2113
Ervin L. Farmer	Agency Payroll and Leave Procedural Support; Training	efarmer@doa.state.va.us	225-3120
John (JR) Rodgers	Technical Support; Mass Transactions, Special Pay, Deduction, or Report Set-up	jrodders@doa.state.va.us	225-3079

Payroll Operations – PR/Benefits Accounting

Name	Functional Area	E-mail	Phone (804 Area Code)
Liz Bauguess	Healthcare Reconciliations	ebauguess@doa.state.va.us	225-2246
Denise Halderman	941s; W-2Cs; Void Checks; Employee Masterfile Maintenance; CIPPS/CARS Interface; CIPPS Adjustments; Deferred Compensation; Deferred Compensation Cash Match; Political Appointee ORP	dhalderman@doa.state.va.us	371-8912
Judith Ohde	Payroll Accounting; Benefits Accounting; CIPPS Security	johde@doa.state.va.us	225-2386
Walter Roish	Supplemental Insurances and Annuities; Annuity Cash Match; Flexible Reimbursement Accounts; ORPs (other than political appointee)	wroish@doa.state.va.us	225-3100
Cathy Royal	CIPPS/PMIS Audit; Savings Bonds; CVC; VPEP; VEST	croyal@doa.state.va.us	225-2390

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Payroll and Leave Contact Personnel, Continued

Payroll Operations - Production

Name	Functional Area	E-mail	Phone <i>(804 Area Code)</i>
Annie Callanta	Agency Reports; Direct Deposit; Deposit Certificates; CIPPS Production Jobs & Report Distribution/Recovery; AD-HOC Reports/U1's; Stop Payments-Void Earnings Notices; Gross Pay Differences	acallanta@doa.state.va.us	371-7799
Kelvin Pride	CIPPS Report Recovery; Checkwrites	kpride@doa.state.va.us	786-7549
Felecia Smith	Direct Deposit Stop Payments	fsmith@doa.state.va.us	371-8385
Diana Jones	Direct Deposit Stop Payments	djones@doa.state.va.us	371-4883

Payroll Operations - Management

Name and Title	Functional Area	E-mail	Phone <i>(804 Area Code)</i>
Karen Robinson, Manager State Payroll Operations and FAS	General Information	krobinson@doa.state.va.us	225-2373
Lora George, State Payroll Operations Assistant Manager	General Information, Technical Support, Mass Transactions, Special Pay, Deduction, or Report Set-up	lgeorge@doa.state.va.us	225-2245

**Payroll
Operations
FAX Numbers**

- (804) 225-3499
 - (804) 786-9201
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January 2003

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Note: Remote-print agencies must keep printers on from December 29 through January 2 to receive quarter and year-end audit reports.			1 State Holiday	2	3	4 9AM - CIPPS files open - no edits or payruns
5 9AM - CIPPS files open - no edits or payruns	6	7	8	9 Calendar Year End Certifications due to DOA	10 Semimonthly salaried certification deadline (salaried earnings period #1 - 12/25-1/9)	11 9AM - CIPPS files open - no edits or payruns
12 9AM - CIPPS files open - no edits or payruns	13	14 Leave keying deadline (12/25-1/9) and YE cutoff Post leave accruals (12/25-1/9)	15	16 Payday for semimonthly salaried employees (12/25-1/9 pay period)	17 State Holiday	18 9AM - CIPPS files open - no edits or payruns
19 9AM - CIPPS files open - no edits or payruns	20 State Holiday	21	22	23	24	25 9AM - CIPPS files open - no edits or payruns
26 9AM - CIPPS files open - no edits or payruns	27 Semimonthly salaried certification deadline (salaried earnings period #2 - 1/10-1/24)	28	29 Leave keying deadline (1/10-1/24) Post leave accruals (1/10-1/24)	30	31 Payday for semimonthly salaried employees (1/10-1/24 pay period) Last day to distribute W-2s to employees Healthcare certification deadline (December)	

February 2003

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1						1 9AM - CIPPS files open - no edits or payruns
2 9AM - CIPPS files open - no edits or payruns	3	4	5	6	7	8 9AM - CIPPS files open - no edits or payruns
9 9AM - CIPPS files open - no edits or payruns	10 Semimonthly salaried certification deadline (salaried earnings period #1 - 1/25-2/9)	11	12 Leave keying deadline (1/25-2/9) Post leave accruals (1/25-2/9)	13	14 Payday for semimonthly salaried employees (1/25-2/9 pay period)	15 9AM - CIPPS files open - no edits or payruns
16 9AM - CIPPS files open - no edits or payruns	17 State Holiday	18	19	20	21	22 9AM - CIPPS files open - no edits or payruns
23	24 Semimonthly salaried certification deadline (salaried earnings period #2 - 2/10-2/24)	25	26 Leave keying deadline (2/10-2/24) Post leave accruals (2/10-2/24)	27	28 Payday semimonthly salaried employees (2/10-2/24 pay period) Healthcare certification deadline (January)	

March 2003

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
						1 9AM - CIPPS files open - no edits or payruns
2 9AM - CIPPS files open - no edits or payruns	3	4	5	6	7	8 9AM - CIPPS files open - no edits or payruns
9 9AM - CIPPS files open - no edits or payruns	10 Semimonthly salaried certification deadline (salaried earnings period #1 - 2/25-3/9)	11	12 Leave keying deadline (2/25-3/9) Post leave accruals (2/25-3/9)	13	14 Payday for semimonthly salaried employees (3/10-3/24) pay period	15 9AM - CIPPS files open - no edits or payruns
16 9AM - CIPPS files open - no edits or payruns	17	18	19	20	21	22 9AM - CIPPS files open - no edits or payruns
23 9AM - CIPPS files open - no edits or payruns	24	25 Semimonthly salaried certification deadline (salaried earnings period #2 - 3/10-3/24)	26	27 Leave keying deadline (3/10-3/24) Post leave accruals (3/10-3/24)	28	29 9AM - CIPPS files open - no edits or payruns
30 9AM - CIPPS files open - no edits or payruns	31 Payday-semimonthly salaried employees - 3/10-3/24 pay period Healthcare certification deadline (February)					

April 2003

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1		1	2	3	4	5 9AM - CIPPS files open - no edits or payruns
6 9AM - CIPPS files open - no edits or payruns	7	8	9	10 Semimonthly salaried certification deadline (salaried earnings period #1 - 3/25-4/9)	11 Certification of quarterly wages due.	12 9AM - CIPPS files open - no edits or payruns
13 9AM - CIPPS files open - no edits or payruns	14 Leave keying deadline (3/25-4/9) Post leave accruals (3/25-4/9)	15	16 Payday for semimonthly salaried employees (3/25-4/9 pay period)	17	18	19 9AM - CIPPS files open - no edits or payruns
20 9AM - CIPPS files open - no edits or payruns	21	22	23	24	25 Semimonthly salaried certification deadline (salaried earnings period #2 - 4/10-4/24)	26
27	28	29 Leave keying deadline (4/10-4/24) Post leave accruals (4/10-4/24)	30 Healthcare certification deadline (March)			

May 2003

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
				1 Payday semimonthly salaried employees 4/10-4/24 pay period	2	3 9AM - CIPPS files open - no edits or payruns
4 9AM - CIPPS files open - no edits or payruns	5	6	7	8	9	10 9AM - CIPPS files open - no edits or payruns
11 9AM - CIPPS files open - no edits or payruns	12 Semimonthly salaried certification deadline (salaried earnings period #1 - 4/25-5/9)	13	14 Leave keying deadline (4/25-5/9) Post leave accruals (4/25-5/9)	15	16 Payday for semimonthly salaried employees (4/25 - 5/9 pay period)	17 9AM - CIPPS files open - no edits or payruns
18 9AM - CIPPS files open - no edits or payruns	19	20	21	22	23 Semimonthly salaried certification deadline 5/10-5/24 pay period	24 9AM - CIPPS files open - no edits or payruns
25 9AM - CIPPS files open - no edits or payruns	26 State Holiday	27	28 Leave keying deadline (5/10-5/24) Post leave accruals (5/10-5/24)	29	30 Payday- Semimonthly salaried employees - 5/10-5/24 pay period Healthcare certification deadline (April)	31 9AM - CIPPS files open - no edits or payruns

June 2003

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1 9AM - CIPPS files open - no edits or payruns	2	3	4	5	6	7 9AM - CIPPS files open - no edits or payruns
8 9AM - CIPPS files open - no edits or payruns	9	10 Semimonthly salaried certification deadline (salaried earnings period #1 - 5/25-6/9)	11	12 Leave keying deadline (5/25-6/9) Post leave accruals (5/25-6/9)	13	14 9AM - CIPPS files open - no edits or payruns
15 9AM - CIPPS files open - no edits or payruns	16 Payday for semimonthly salaried employees (5/25 - 6/9 pay period) Charge to FY03 Healthcare certification deadline (May)	17 Charge to FY 04	18 Charge to FY04	19 Charge to FY04	20 Charge to FY03 Wage and Specials	21 9AM - CIPPS files open - no edits or payruns
22 9AM - CIPPS files open - no edits or payruns	23	24	25 Semimonthly salaried certification deadline (salaried earnings period (6/10-6/24)	26	27 Leave keying deadline (6/10-6/24) Post leave accruals (6/10-6/24)	28 9AM - CIPPS files open - no edits or payruns
29 9AM - CIPPS files open - no edits or payruns	30					

Certification Schedule

The Payroll Operations Calendar for the period July through November 2003 will be issued in June. The calendar for December 2003 will be issued in November. For agency planning purposes, the certification dates and paydays for this period are listed below.

Month and Period	Certification Date	Pay Date
July <i>2nd pay period 6/10 -6/24</i> <i>1st pay period 6/25 - 7/9</i> <i>2nd pay period 7/10 - 7/24</i>	 6/25 7/10 7/28	 7/1 7/16 8/1
August <i>1st pay period 7/25 - 8/9</i> <i>2nd pay period 8/10 - 8/24</i>	 8/11 8/25	 8/15 8/29
September <i>1st pay period 8/25 -9/9</i> <i>2nd pay period 9/10 -9/24</i>	 9/10 9/24	 9/16 9/30
October <i>1st pay period 9/25 - 10/9</i> <i>2nd pay period 10/10 - 10/24</i>	 10/09 10/27	 10/16 10/31
November <i>1st pay period 10/25 -11/9</i> <i>2nd pay period 11/10 - 11/24</i>	 11/07 11/21	 11/14 12/01
December <i>1st pay period 11/25 - 12/9</i> <i>2nd pay period 12/10 - 12/24</i>	 12/10 12/24	 12/16 12/31